

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Bankers' Bank of the West Bancorp, Inc

Point of Contact:	William A. Mitchell, Jr.	RSSD: (For Bank Holding Companies)	2249401
UST Sequence Number:	503	Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	12,639,000	FDIC Certificate Number: (For Depository Institutions)	23210
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	N/A
Date Funded (first funding):	January 30, 2009	City:	Denver
Date Repaid ¹ :	N/A	State:	Colorado

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

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To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

Increase securities purchased (ABS, MBS, etc.).

Make other investments.

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☒ **Increase reserves for non-performing assets.**

Additional reserves were made at the bank subsidiary for substandard assets while remaining "well-capitalized".

☐ **Reduce borrowings.**

☐ **Increase charge-offs.**

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☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

We did not use the capital to grow; due to higher than normal credit issues at the subsidiary bank, funds were injected in order to increase capital ratios.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The CPP funds enabled Bankers' Bank of the West Bancorp, Inc. to have less pressure to raise private equity in a difficult market. The funds that were injected into the subsidiary bank also resulted in improved capital ratios.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The non-bank subsidiary was able to purchase problem assets from the bank subsidiary. This resulted in a more orderly liquidation of problem assets therefore minimizing losses and preserving capital. The injection of capital into the bank subsidiary and the sale of problem assets also aided in maintaining and exceeding "well-capitalized" capital ratios and aiding in customer confidence. There has been no change in our usage of TARP funds since the initial distribution in 2009.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.